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Report of the Secretary-General on the United Nations Integrated Mission in Timor-Leste (for the period from 9 July 2008 to 20 January 2009)

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1802 (2008), by which the Council extended the mandate of the United Nations Integrated Mission in Timor-Leste (UNMIT) until 26 February 2009. It covers major developments in Timor-Leste and the implementation of the Mission's mandate since my report of 29 July 2008 (S/2008/501).

2. As at 20 January 2009, UNMIT consisted of a civilian component comprising 340 international staff (122 women), 874 national staff (158 women), 1,510 police officers (74 women) and 31 military liaison and staff officers (2 women). The United Nations country team consisted of 254 international staff (111 women) and 508 national staff (133 women). My Special Representative, Atul Khare, continued to lead the Mission and to coordinate with United Nations system actors and other stakeholders. He was assisted by the Deputy Special Representative for Governance Support, Development and Humanitarian Coordination, Finn Reske-Nielsen, who also acts as officer-in-charge in the absence of my Special Representative, and by the Deputy Special Representative for Security Sector Support and Rule of Law, Takahisa Kawakami, who took up his functions on 2 November. UNMIT has continued its integrated "one United Nations system" approach and made significant progress in achieving integration across all relevant areas of the mandate. The joint efforts of UNMIT and the United Nations country team have been instrumental in providing coordinated policy, political, technical and financial support to help Timor-Leste accomplish its goals.

II. Political and security developments since July 2008

3. The present reporting period marked an important stage in the recovery from the 2006 crisis and a return to normalcy following the events of 11 February 2008 (see S/2008/501, para. 3). The security situation remained calm and security arrangements generally followed constitutional and legal parameters since the lifting of the states of exception introduced as a result of the attacks in February on the President, José Ramos-Horta, and the Prime Minister, Kay Rala Xanana Gusmão (see S/2008/501, paras. 4-6). Gastão Salsinha, an associate of the late former

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Military Police Commander of the Falintil-Forças de Defesa de Timor-Leste (F-FDTL), and his group who surrendered to State authorities (see S/2008/501, para. 5) remained in custody while the Prosecutor-General continued criminal investigations. The Government also made remarkable progress in addressing the two major residual consequences of the 2006 crisis — the F-FDTL "petitioners" and the internally displaced persons (see S/2008/501, para. 7) — even though further sustained efforts are needed to ensure durable solutions. After having accepted their first tranche of payments in July, the petitioners who had gathered in the Aitarak Laran camp in Dili had, by 1 August, returned to their homes. In the second half of October, they received their second and final tranche. There were no incidents affecting their reintegration into civilian life. The return of internally displaced persons accelerated dramatically (see para. 45 below), with the result that, as at 20 January, 54 out of the 63 internally displaced persons camps in Dili and Baucau had been closed, without significant incident.

4. On 30 July, the Parliament approved an increase in the budget to $788.3 million for the fiscal year ending on 31 December 2008, to be funded mostly through a withdrawal of $686.8 million from the Petroleum Fund. It included the allocation of $240 million to an economic stabilization fund, one of whose objectives was to ensure the supply of critical commodities at affordable prices, partly in response to the global food crisis. On 13 November, the Court of Appeal, the highest judicial organ in the country in the absence of a Supreme Court, declared the allocation of $240 million to the Fund to be unconstitutional. The Court also ruled that any withdrawal without adequate justification to the Parliament in excess of $396.1 million (representing the 3 per cent estimated sustainable income) from the Petroleum Fund was in violation of the petroleum law. Given that the ruling was not retroactive and came towards the end of the fiscal year, it had limited practical effect; as at 31 December, $396 million had been withdrawn from the Petroleum Fund.

5. The Court decision was a landmark event in Timor-Leste, as the first major ruling against a piece of legislation since the crisis of 2006. Despite initial criticism about the role of international judges who sit on the Court, on 20 November, President Ramos-Horta made an unequivocal public statement that the decision of the Court must be respected. This was an important contribution towards strengthening respect for the Constitution, separation of powers and rule of law.

A. Support for dialogue and reconciliation

6. Timor-Leste showed strong resilience after the shock of the attacks of 11 February. The rapid stabilization of the security situation created the space necessary for renewed national attention to security sector reform, the further strengthening of the rule of law and democratic governance, and socio-economic development. My Special Representative encouraged constructive steps to gain broad consensus on these major issues, promoting consultative processes that include a broad range of stakeholders and take advantage of the range of experiences and expertise available to Timor-Leste. He continued his regular weekly meetings with the President and Prime Minister and started to meet on a weekly basis with the President of Parliament, Fernando "Lasama" de Araújo, as well. During the period under review, two expanded meetings of the High-level

Coordination Committee and six meetings of the Trilateral Coordination Forum (see S/2008/501, para. 9) were held.

7. My Special Representative also continued his regular meetings with the Secretary-General of the Frente Revolucionária do Timor-Leste Independente (Fretilin), Mari Alkatiri, as the leader of the party with the largest number of seats in Parliament, as well as his regular meetings with civil society. He continued to call monthly meetings (now a total of 21) with representatives of all the political parties, including those without parliamentary representation, providing them with a venue to discuss national issues collectively. He also held a series of individual meetings with political party leaders, where he emphasized the importance of constructive political dialogue and cooperation on national priority issues. My Deputy Special Representative for Governance Support, Development and Humanitarian Coordination continued his weekly meetings with the Deputy Prime Minister, while my newly arrived Deputy Special Representative for Security Sector Support and Rule of Law continued regular meetings of UNMIT with the Secretary of State for Security, an important opportunity to discuss issues relating to the police and the security sector. In all of these meetings, UNMIT encouraged the adoption of decisions that reinforce the foundations of long-term stability and the strengthening of democratic governance, provided constructive feedback on the implementation of such decisions, and made available the United Nations good offices and resources as necessary to facilitate their implementation.

8. Fretilin continued to play an important role within Parliament. However, the party also continued to refuse to recognize the legitimacy of the Alliance for a Parliamentary Majority (AMP) Government (see S/2007/513, para. 4). The public tone and discourse adopted by some members of Fretilin and the AMP coalition contributed, at times, to public uncertainty about the country's political stability. While frank debate is a necessary element of the democratic governance process, the inflammatory rhetoric between some leaders has a negative impact on all of society, hardening positions and increasing tensions between followers, and raising the anxiety level of the general public.

9. President Ramos-Horta has made laudable efforts to create opportunities for the opposition to make contributions to issues of national interest. On 9 October, in an address to the Parliament, the President called for the opposition to be included in the management arrangements for the economic stabilization fund. Subsequently, on 21 November, the President convened a meeting with the Prime Minister and the Secretary-General of Fretilin at which they agreed to continue regular discussions every three weeks. On 19 November, the Office of the President signed a memorandum of understanding with the Centre for Humanitarian Dialogue for a dialogue process to achieve consensus on issues of national importance. These were important initiatives to reinforce consultative approaches. My Special Representative supported these initiatives, including by reminding the political leaders of their commitment to ensure a meaningful role for the opposition, as set out in the political party accord signed on 25 May 2007 (see S/2007/513, para. 7). Dialogue and reconciliation efforts also continued at the local level. Seven Government dialogue teams (five in Dili and two in the districts) were established with the support of the United Nations Development Programme (UNDP). As at 31 December, the teams had successfully facilitated 45 preparatory meetings, building up to 16 community dialogue meetings. A total of 392 mediations have been supported by the teams, with 245 cases requiring support to develop negotiated

settlement, of which 231 have been resolved. The mediation and dialogue efforts focused primarily on issues related to returns of internally displaced persons (see S/2008/501, para. 46).

B. Enhancing democratic governance

10. UNMIT and the United Nations country team continued to engage in activities aimed at enhancing a culture of democratic governance, including improved accountability mechanisms and increased citizen participation. Eight democratic governance forums were jointly convened by the Prime Minister and my Special Representative as a follow-up to the national workshop on democratic governance held on 11 April (see S/2008/501, para. 12). During the forums, participants, including State officials, international development partners, civil society and leaders of political parties, discussed such issues as separation and balance of powers, public sector reform and political participation, including electoral processes. At the technical level, UNMIT and UNDP provided advice on legislation to establish a civil service commission and an anti-corruption commission. On 5 November, the Parliament ratified the United Nations Convention against Corruption.

11. UNMIT and the United Nations country team also provided support to the development of other important legislative frameworks. The United Nations Capital Development Fund and UNDP assisted the Government on the legislative framework for decentralization. On 13 November, the Government initiated a series of public consultations on a package of draft laws that will determine the future shape of local administration. The results of the consultations will be incorporated in the drafts before they are submitted to Parliament for approval.

12. UNMIT and UNDP formed a joint team on electoral support that continued to help strengthen the institutional capacity of the two electoral management bodies, the National Electoral Commission and the Technical Secretariat for Electoral Administration, and of political parties through four district resource centres and a training programme. This assistance included supporting an update of the voter registry and civic and voter education in preparation for village and municipal elections currently planned for 2009. In this regard, the Government has indicated that the electoral management bodies will need additional United Nations support. My Special Representative has received official requests from the Prime Minister and the President of the National Electoral Commission for technical, logistical and operational support, including security, communications and transport.

13. UNMIT also continued to assist in capacity-building for local journalists through radio internships, technical training sessions, on-the-job training and facilitation of regular press trips. The United Nations Educational, Scientific and Cultural Organization (UNESCO) supported training for print and radio journalists in September. In addition, UNDP provided support to the drafting of five media-related laws now before Parliament.

14. The third National Women's Congress, organized by the umbrella civil society organization Redefeto, was held from 10 to 12 September and provided the basis on which the Office of the Secretary of State for the Promotion of Equality is now coordinating the drafting of a national gender equality policy and strategy. The

involvement of women from all districts demonstrated civil society's engagement in the process of national policymaking.

C. Maintenance of public security

15. There was no change in the UNMIT police strength during this reporting period, with 1,510 officers (74 women) as at 20 January. Of these, 923 officers (including 140 in the Malaysian formed police unit, 139 in the Portuguese formed police unit and 36 in the Pakistani formed police unit) were deployed in Dili and 587 to other districts, including 139 in the Bangladeshi formed police unit (89 in Baucau and 50 in Viqueque) and 102 in the Pakistani formed police unit (80 in Bobonaro and 22 in Ermera). They continued to perform the mandated task of interim law enforcement, while pursuing efforts to support training, institutional development and strengthening of the national police, the Polícia Nacional de Timor-Leste.

16. The security situation remained generally calm. This can be attributed in part to proactive policing strategies adopted by the police but also to the active engagement of UNMIT with key political stakeholders. An average of 118 incidents of all types was reported each week, the majority of which were assaults, compared to 111 in the previous reporting period. (UNMIT has improved its reporting procedures to more accurately incorporate information on minor crimes. This new methodology has, to the extent possible, been applied retroactively to statistics for the previous reporting period, accounting for the new incident rate; see S/2008/501, para. 19.) Serious crime incidents decreased from four per week to two. There were no major public disturbances or spikes in violence. One of the major public security concerns is sexual and gender-based violence. Together with a local civil society organization, the Association for Law, Human Rights and Justice, the United Nations Development Fund for Women (UNIFEM) continued advocacy and awareness-raising on sexual and gender-based violence and the availability of support services, such as shelter, medical support and counselling through radio programmes, bulletins and public discussions in the border districts of Covalima and Bobonaro, which have the highest prevalence of sexual and gender-based violence among women and girls. The police also continued to undertake intensified patrols and community policing initiatives within communities where internally displaced families have resettled to assist in the creation of a favourable environment for local reconciliation.

17. The Government sponsored a six-week nationwide weapons collection campaign which ended on 31 August, and was coordinated through the Trilateral Coordination Forum. During this police-led effort, the campaign collected 864 homemade and other light firearms, such as air rifles; 48 explosive devices, such as grenades; 7,930 homemade weapons, such as darts; 9,116 rounds of ammunition; and 164 weapons of other types. They were destroyed in public ceremonies presided over by Government ministers on 24 October, celebrating United Nations Day.

18. With the disbanding of the Joint Command on 19 June, security arrangements returned to normalcy throughout the country. UNMIT police, working together with the national police, were responsible for internal security. The Government is considering giving F-FDTL a role in border security. F-FDTL is currently

establishing observer posts in Tilomar (Covalima) and Tonobibi (Bobonaro) and expects to deploy a 12-person team at each of these posts by March 2009. Two additional posts would then be established in Leila (Covalima) and Batugade (Bobonaro). The Timorese authorities have contacted their Indonesian counterparts in this regard to ensure transparency and good cooperation. A demarcation of roles and responsibilities between the national police and F-FDTL, based on broad consultations and appropriately codified into law, and the establishment of clear command and control arrangements between these security institutions and with other Timorese border agencies will be crucial. Relevant F-FDTL training would also be important.

19. The presence and activities of UNMIT military liaison officers in the border districts contributed to the stability of the security situation there, partly by facilitating effective working relationships between the border security agencies of Timor-Leste and Indonesia. Military liaison officers also continued to play an information-gathering role throughout all the districts of Timor-Leste. The presence of the international security forces, deployed to Timor-Leste by Australia and New Zealand, also contributed considerably to maintaining a secure environment. Cooperation between UNMIT and the international security forces continued to be good, particularly during major public events, including through support to the police, and in the return and relocation of internally displaced persons.

D. Support for and institutional strengthening of the security institutions

20. Continued efforts have led to further progress in the registration, screening and certification programme for the national police, in accordance with the "Policing Arrangement" (see S/2008/501, para. 15). Of the 3,108 provisionally certified national police officers, 2,644 officers (538 women), or 85 per cent of the force, have now become fully certified. The remaining officers are in different stages of the mentoring programme, except 171 (5 women) who have been found to have integrity issues. Of these, 99 (1 woman) require adjudication by the Timorese-led Evaluation Panel, and the remaining are in other stages of investigatory and inquiry processes (see S/2008/501, para. 20). However, the difficulty with infrequent meetings of the Evaluation Panel persists. An additional 117 officers (10 women) who were recruits during the crisis of April and May 2006 returned to the police academy, and on 20 November completed their basic training. Furthermore, 63 (11 women) out of the 73 (12 women) unregistered national police officers are still on the national police payroll list. The Government has been encouraged to make a decision regarding the unregistered officers, in accordance with the Policing Arrangement.

21. The Government and UNMIT have reached broad agreement on the resumption of policing responsibilities by the national police, beginning in 2009, in line with the reconstitution process described in the Policing Arrangement. While expected to start during the first half of 2009, the process will not be driven by a fixed timeline. It will unfold in a phased approach — district by district and unit by unit — in accordance with mutually agreed and clearly defined criteria, based on initial recommendations of the expert mission on policing, and support provided by the Standing Police Capacity of the Department of Peacekeeping Operations during a follow-up mission (see S/2008/501, para. 21). These agreed criteria are: (a) the

ability of the national police to respond appropriately to the security environment in a given district; (b) final certification of at least 80 per cent of eligible national police officers in a given district or unit to be handed over; (c) the availability of initial operational logistical requirements; and (d) institutional stability, which includes, inter alia, the ability to exercise command and control, and community acceptance. The readiness of the individual districts and units will be determined by a joint United Nations-Timorese assessment, possibly with the participation of independent expertise, based on indicators developed jointly by UNMIT police and their national counterparts, which will include adherence to human rights standards.

22. The process of resumption of responsibilities will lay the foundation for the long-term development of the national police and so must be approached in a deliberate manner to ensure the integrity and effectiveness of the process. Otherwise, there is a risk of a recurrence of events that overtook the national police in 2006 (see S/2006/628, para. 10). UNMIT police will thus play a crucial role in monitoring and tracking progress, while remaining available to advise and provide operational support, and, in extremis, reassuming interim law enforcement, if required and requested. To this end, a detailed and binding document, defining the specific roles of UNMIT police and the depth of the UNMIT-national police engagement in this next phase, must be agreed and in place prior to the start of the handover process. Until the national police force has been fully reconstituted, the UNMIT Police Commissioner retains overall command and control, but will delegate operational responsibility to the General Commander Designate of the national police over the districts and units that have been handed over. As the UNMIT police will continue to have significant responsibilities for interim law enforcement, in addition to their monitoring and advising role, it is proposed that they maintain their presence at current levels.

23. Ultimately, the success of police reconstitution and development will be dependent on the long-term commitment of the Government and the national police. Furthermore, an effective and smooth transition to bilateral assistance will be crucial.

E. Comprehensive review of the security sector

24. Since the signing of the security sector review project in June (see S/2008/501, para. 26), the project board, which includes members from the Office of the President, the Parliament, the Government, UNMIT and UNDP, and is chaired by the Secretary of State for Security, has met three times. The first project approved by the board was a training-of-trainers course for the unarmed Segurança Civil, the State's civil security service. The board also funded a seminar on security sector reform and development held on 11 and 12 December, a joint initiative of the President and the Government, supported by UNMIT and UNDP. The seminar brought together a range of national and international actors to discuss topics such as national security legislation and policy. It highlighted the linkages between development and security, the importance of civil oversight, rule of law, transparency and accountability, the need for clear command and control, and coordination. Future seminars are planned as a follow-up. On 15 January 2009, the board approved in principle a survey of public opinion on security issues. It also approved other capacity development activities including the maintenance of radio

communications equipment and the employment of experts to improve the oversight abilities of the Ministry of Defence and Security and the Parliament.

25. The Government made progress in drafting key legislation on national security, defence and internal security. UNMIT continued to support the Government in developing a national security policy, a process that continues to be mired in a lack of clarity about the relationship between the policy and the related legislation. Consultative initiatives, such as the recent seminar, have promoted progress in engaging a range of actors, including civil society and the opposition, in discussions about the future of the security sector. It is hoped that the Government will enhance its efforts in this regard.

III. Promotion of human rights and administration of justice

A. Support for monitoring, promotion and protection of human rights

26. Following the end of the states of exception and disbandment of the Joint Command, the number of allegations of ill-treatment and excessive use of force and intimidation during arrests decreased. While some members of the national police reportedly faced minor disciplinary measures and a few cases remained under investigation, no member of the security forces had been brought to justice for violations committed during the states of exception as at 20 January 2009. During this period, UNMIT documented 50 alleged incidents of human rights violations and ill-treatment during arrests by the national police. On 9 October 2008, the Baucau District Court sentenced a national officer to six years' imprisonment for killing a man during an election rally in Viqueque District in 2007. On 14 October, the Baucau District Commander, who failed to obey a suspension order by the UNMIT Police Commissioner, was handed a six months' suspended sentence. The decision of the Baucau District Court was subsequently overturned by the Court of Appeal. On 22 October in Maliana, Bobonaro District, national police officers physically and verbally threatened a national UNMIT staff member who was assisting two alleged victims of police ill-treatment to file a complaint; the allegations were substantiated and a written reprimand was approved. After the incident, at the request of the new District Commander of the national police, UNMIT provided human rights training to national police officers in Maliana.

27. Initiatives to strengthen the capacity of the Office of the Provedor for Human Rights and Justice continued through a joint project of UNDP and the Office of the United Nations High Commissioner for Human Rights (OHCHR). Starting in July 2008, activities included daily mentoring of the Provedor's Monitoring and Advocacy Department, workshops on workplan revision and monitoring, and two workshops for civil society partners. The Provedor, UNMIT and civil society partners conducted joint monitoring of key issues, particularly returns of internally displaced persons and alleged human rights violations by the national police. From July to September, UNMIT, in collaboration with the Provedor and the Government, provided human rights education training to 356 (111 women) elementary schoolteachers in 13 districts, focusing on the integration of human rights in the national curriculum. OHCHR trainers provided a three-day training programme to Provedor staff on human rights monitoring and reporting in October 2008. The Provedor is expected to publish a report during the first quarter of 2009 on the

44 cases investigated during the state of siege involving alleged human rights violations by the security forces (see S/2008/501, para. 29).

28. UNMIT also provided seven human rights training sessions for the national police; supported a human rights seminar for F-FDTL members; together with UNIFEM and civil society organizations, conducted human rights, gender and humanitarian law training for 43 F-FDTL officers (5 women) on 10 and 11 November; provided 10 training events for civil society; and facilitated 9 public discussions in the districts. UNMIT published two human rights reports during the reporting period, one report focusing on the security sector and access to justice, and one report on the right to food. On 10 December, an extraordinary plenary session of Parliament was held to celebrate the sixtieth anniversary of the adoption of the Universal Declaration of Human Rights. It culminated in the presentation of the first "Sergio Vieira de Mello Human Rights Awards" for Timor-Leste and a request by the President to make the awards and the special session an annual tradition.

29. Limited progress was made towards holding accountable those responsible for criminal acts and human rights violations during the crisis of 2006, as recommended by the Independent Special Commission of Inquiry (S/2008/26, para. 30). The OHCHR-funded international prosecutor recruited to work specifically on Commission cases continued his investigations. Of the 11 ongoing investigations, one trial involving 16 defendants began in October 2008. A second trial began on 12 January 2009 but was subsequently adjourned until April 2009. The four F-FDTL members convicted of manslaughter and attempted manslaughter in the shooting deaths of eight national police in 2006 continued to be held at a military facility rather than a prison. Restitution to the widows of the victims, as ordered by the court, has yet to be paid, while, at the same time, the perpetrators continue to receive their salaries. Also, 46 detainees who escaped from Becora Prison in 2006 and 2007 remained at large. UNMIT continued to address this matter with Timorese authorities to secure their reimprisonment.

30. On 15 July, the Presidents of Indonesia and Timor-Leste received the report of the Commission of Truth and Friendship. They, together with Prime Minister Gusmão, issued a joint statement accepting the conclusions and recommendations of the report, expressing remorse to those who suffered from violations of human rights in 1999, and committing themselves to the implementation of the report's recommendations. On 9 October, President Ramos-Horta officially presented the report to Parliament. Parliament has postponed discussion of the recommendations of the Commission of Truth and Friendship and the Commission for Reception, Truth and Reconciliation to an undetermined future date. Nevertheless, a working group composed of Committee A of the National Parliament, the secretariat of the post-Commission for Reception, Truth and Reconciliation, the International Centre for Transitional Justice, OHCHR and civil society representatives proceeded with discussions on a proposed follow-on institution to the Commission for Reception, Truth and Reconciliation and the Commission of Truth and Friendship. OHCHR is funding a consultant, who began on 19 January 2009, to draft legislation for Committee A setting out the legal framework of a proposed follow-on institution.

31. UNMIT investigations into cases of serious human rights violations committed in 1999 continued under the supervision and in close collaboration with the Office of the Prosecutor-General. Investigations began in five new districts in addition to

the four where investigations were already ongoing. To date, UNMIT has completed investigations into 35 out of 396 outstanding cases and submitted final investigation reports to the Office of the Prosecutor-General for his consideration. An additional 38 other cases are currently under investigation.

32. UNMIT strove to maintain the highest standards of conduct among its staff, continuing to provide training to all categories of United Nations personnel, including national officers, in the prevention of sexual exploitation and abuse and in other conduct and discipline issues. In Bobonaro District from 22 to 24 July, UNIFEM provided training on sexual and gender-based violence to 30 national police (7 women), covering legal provisions, police officers' roles and responsibilities, the necessary procedures for handling sexual and gender-based violence situations and understanding the needs of victims and survivors. UNMIT strengthened the monitoring of off-limit locations to include unannounced verification visits to the establishments. During the reporting period, one case of alleged sexual exploitation was reported; it is currently being investigated by the Office of Internal Oversight Services. One staff member was repatriated after earlier allegations of sexual exploitation were substantiated. The HIV/AIDS session included in the UNMIT induction course and mandatory HIV/AIDS basic training continued. A total of 1,478 personnel (including 305 women) received HIV/AIDS induction training, 794 personnel (including 181 women) received mandatory basic training and 36 personnel (including 18 women) received peer educator training.

B. Support for capacity-building and strengthening of the justice system

33. The Government continued to focus on several pieces of draft legislation essential for the smooth functioning of the justice system, in particular the criminal code. UNMIT, together with UNIFEM and the United Nations Population Fund (UNFPA) provided technical advice to improve provisions in the code concerning victims of sexual assault and domestic violence, and minors as victims of sexual-related offences and corruption. UNMIT, in collaboration with the United Nations Children's Fund (UNICEF), also provided substantive and technical advice in support of the juvenile justice draft law. Furthermore, UNMIT continued to support the drafting of a civil code, a witness protection law, a law on domestic violence and a weapons law. Capacity development of judiciary personnel continued through the UNDP-supported Legal Training Centre. On 29 July, the third post-graduate training course for judges, prosecutors and public defenders commenced at the Centre with 18 candidates who will undergo two and a half years of academic and practical training. A total of 37 persons have graduated from the Centre.

34. Coordination between the police and the prosecution improved under the auspices of a joint Prosecutor-General-United Nations working group. This initiative produced notable progress in the execution of notifications and warrants and expedited the processing of the increasing number of criminal files. Notwithstanding this effort, and a physical transfer from Dili to Baucau and Oecussi of all prosecution files belonging to those respective districts, the current pending criminal caseload nationwide is about 5,400 cases. Nine national prosecutors and five international prosecutors worked in co-location to process the existing caseload. National authorities have acknowledged the need to further increase funding, human resources and technical expertise in order to enhance the case-management. In the

meantime, UNDP advanced in the implementation of an electronic case management system that can provide senior national officials with prompt statistical information to allow for prioritization of cases and identification of bottlenecks.

35. At the encouragement of my Special Representative, the Government resumed consultations to initiate an independent comprehensive needs assessment of the justice sector, as previously recommended (see S/2006/628, para. 88). Furthermore, UNMIT and UNDP are supporting the Government in its request to develop a legal framework to link, in accordance with international human rights standards, the formal justice system with traditional justice mechanisms.

36. The Government's Prisons Directorate, with assistance from UNMIT and UNDP, completed a number of infrastructure improvement projects for the prison service. Seven staff from the Prisons Directorate have completed a train-the-trainer programme as the first step towards developing the Directorate's capacity. Unreasonable duration of pretrial detention, a lack of adequate legal representation, increasing numbers of juveniles in pretrial detention and lack of treatment for mental illness remain some of the major challenges facing the penitentiary system in Timor-Leste.

IV. Support for the "compact", socio-economic development and humanitarian assistance

A. Support for the "compact" process

37. On 31 July, a quarterly development partners meeting took place where participants discussed in detail the recommendations from the first six-month World Bank independent peer review of the national priorities for 2008, which constitute the international compact for Timor-Leste (see S/2008/501, para. 36). The meeting offered a forum for the Government and the donors to frankly discuss progress and obstacles in all the identified priority areas. Importantly, in the light of the overall positive feedback from a great number of participants who were represented at senior levels, the meeting also reaffirmed the mutual endorsement by the Government and the international partners of the national priorities process. In its generally favourable assessment, the World Bank found the national priorities reporting and support systems appropriate and highlighted that this framework has proven effective in achieving and documenting progress towards Government's goals, especially in the reintegration of internally displaced persons, cash payment transfers to petitioners and vulnerable groups, as well as in institutional development for youth and sports. UNMIT and United Nations agencies, funds and programmes, such as the International Labour Organisation (ILO), UNICEF, UNDP and the International Organization for Migration (IOM) actively participated in the working groups established to monitor progress in meeting the objectives set out in the national priorities. Preparations for the 2009 national priorities programme are ongoing and include a modification of the working group structure adopted by the Council of Ministers and the subsequent issuance of a detailed concept note. On this basis, several ministries have already begun to develop their goals and targets for the 2009 programme. Foundations have been laid for sectoral consultation and medium-term strategic planning, and the Government demonstrated at the highest

levels that it is committed to monitoring the fulfilment of targets agreed with the international community in a spirit of partnership.

B. Socio-economic development

38. Economic momentum was sustained in 2008 with growth projected by the International Monetary Fund (IMF) at 10 per cent, due primarily to buoyancy in public expenditures; still, capacity constraints continued to hamper budget execution. In a speech given to Parliament on 14 January 2009, the Prime Minister said that cash expenditures totalled $436.6 million, representing approximately 55 per cent of the total 2008 budget. In an effort to help the Government improve the execution of its budget and the delivery of services, UNMIT has encouraged the Government to consider further outsourcing, through the integration of employment-generating and capacity-building experts in key areas where capacities are lacking.

39. Given low capital expenditures, the Government's declaration of 2009 as the year of infrastructure, rural development and human resource capacity-development is a welcome measure. During the reporting period, some major infrastructure projects were completed. On 18 November, five bridges in two eastern districts were inaugurated; they are expected to improve rural development by opening up new markets for agricultural products. They were constructed under a programme jointly implemented by UNDP and the United Nations Office for Project Services (UNOPS), with financing from the Government and the European Union. Since July, the Ministry of Infrastructure, the Ministry of Economy and Development and the Secretariat of State for Vocational Training and Employment, with United Nations assistance, have established initiatives to generate short-term labour-intensive employment. Road maintenance and rehabilitation provided temporary employment opportunities to around 4,000 persons.

40. At the same time, Timor-Leste continued to struggle with factors affecting poverty alleviation and achievement of the Millennium Development Goals. The Timor-Leste survey of living standards, conducted by the Directorate of National Statistics with support from the World Bank and completed in November, showed that poverty had increased to approximately 50 per cent of the population at the end of 2007 from 36 per cent in 2001. In per capita terms, the real, non-oil gross domestic product declined by 12 per cent during those years. This is due to a significant fall in consumption explained by the relative stagnation of the non-oil economy. Other factors, such as the high population growth rate, also contributed to enlarging the number of Timorese below the poverty line in the country.

41. The immunization coverage rate continued to improve; measles coverage reached 75 per cent by mid-2008, with the critical 80 per cent benchmark expected to be reached soon. The Government, with support from UNICEF and the World Health Organization (WHO), launched a national tetanus toxoid vaccination campaign in 2008 in the hope of eliminating maternal and neonatal tetanus by 2010. Vaccination rounds were held in October and November. Preliminary reports show that more than 80 per cent of targeted women (12-45 years of age) received one dose of tetanus toxoid vaccine during the first round. WHO actively supported new training courses for nurses and midwives, which started in September 2008, and the Government opened a new faculty in midwifery at the national university, with the support of UNFPA. UNESCO, together with the World Bank and UNICEF,

continued to provide technical support to strengthen the capacity of the Government's education management information system.

42. The United Nations Development Assistance Framework for 2009-2013 was signed by the Prime Minister and my Deputy Special Representative in his capacity as Resident Coordinator on 8 August. It was also co-signed by my Special Representative reflecting the integrated character of the Mission. The overarching goal of the Framework is the consolidation of peace and stability, with three interrelated areas of cooperation having emerged as particularly critical for United Nations country team support: (a) democratization and social cohesion; (b) poverty reduction and sustainable livelihoods; and (c) basic social services. The total funding for the five-year period of the United Nations Development Assistance Framework is expected to be approximately $314 million. In addition, the possibility of funding of projects by the Peacebuilding Fund is currently being explored.

C. Humanitarian assistance

43. The World Food Programme (WFP) worked in close liaison with the Government on the issue of rising global food prices and monitored food prices and market availability in the country, as a proxy indicator of food availability at the household level. WFP also continued to provide food to vulnerable groups such as pregnant and lactating women, children under five years of age, school children and food-insecure communities.

44. Restrictions by major regional exporters created challenges in ensuring adequate food supplies that prompted the Government to prioritize increasing national agricultural production. The 2008 budget thus included increased appropriations for purchases of tractors and other agricultural equipment, and the Government promoted planting of a second crop of rice and maize to boost production. The Food and Agriculture Organization of the United Nations (FAO) mobilized internal and donor resources to assist vulnerable farmers and boost local food production. During July and August, 4,000 farming households received seeds and fertilizer to cultivate maize and rice during the second crop season and approximately 26,000 households received seeds, fertilizers and tools for the establishment of home gardens. In November, 22,000 rural households received non-hybrid maize seeds of an adapted high-yielding variety to boost production during the main planting season. By the end of 2008, 2,000 families received metallic silos to improve maize grain storage, reducing substantially the normally high post-harvest losses. The estimated combined impact of these interventions is an increase by 20 per cent of the food available to the most vulnerable groups among the rural population.

45. As at 20 January, a total of 16,500 internally displaced families registered for assistance under the Government's National Recovery Strategy (see S/2008/501, para. 45). Fifty-four camps in Dili and Baucau (out of 63) have closed and the number of families benefiting from the recovery package reached 11,335. While some isolated incidents occurred during the return process, mainly property issues between returnees and secondary occupants, there were no major outbreaks of violence or serious resistance that affected the overall return process. My Representative on the Human Rights for internally displaced persons, Walter Kälin,

conducted a working visit to Timor-Leste from 6 to 13 December. His recommendations centred on the need to maintain the focus on the sustainability of returns beyond the closure of the camps and to support durable solutions.

46. The Government's five-pillar National Recovery Strategy (housing, community trust-building, security and stability, social protection and local socio-economic development) was designed to ensure holistic, durable solutions to the situation of internally displaced persons. Most of the remarkable progress in returns is due to concerted efforts by the Government and humanitarian partners in the areas of housing and trust-building; however, further progress is needed in addressing broader issues such as land and property rights. The long-term success of the return process will also depend on further progress in the other pillars, such as the creation of livelihood opportunities, including special attention to economic activities that contribute to the reintegration of internally displaced persons; enhanced social protection, with a particular focus on their needs; and the creation of a stable security environment conducive to their return. Given the sustained progress in relocating internally displaced families and the end of the emergency situation, the Office for the Coordination of Humanitarian Affairs phased out its activities and presence at the end of 2008. However, one national staff member of the Office for the Coordination of Humanitarian Affairs will remain in-country in support of the Humanitarian Coordinator, and will work with a small humanitarian team retained in UNMIT to assist in the coordination of residual humanitarian activities.

V. Preparation of a medium-term strategy

47. In my previous report (S/2008/501, para. 48), I envisaged that the medium-term strategy and benchmarks, as requested by the Security Council in its resolution 1802 (2008), would cover the four mandated priority areas of UNMIT: review and reform of the security sector; strengthening of the rule of law; economic and social development; and promotion of a culture of democratic governance and dialogue. Since then, extensive consultations have been held on the matter with the Timorese interlocutors (the President, the Government, political parties and civil society) and the diplomatic corps. A medium-term strategy with illustrative benchmarks, informed by the national priorities process and other planning exercises such as the United Nations Development Assistance Framework and planning for the resumption of responsibility by the national police, has been developed for these four areas. The priority benchmarks include: (a) adequate capacity, systems processes and resources within security sector institutions for each to fulfil their respective roles, including human rights obligations, in the context of clear and transparent mechanisms ensuring civil oversight; (b) completion of all outstanding investigations and establishment of effective mechanisms to enhance the functioning and integrity of the judiciary; (c) adherence to the rule of law through respect for Constitutional rights and guarantees for all citizens and to strict ethical standards; and (d) improved quality of life and increased employment opportunities, especially focusing on rural areas and youth and the sustainable return and reintegration of internally displaced persons. The Government has accepted the strategy and the benchmarks (see the annex to the present report).

48. The benchmarks can help measure progress in addressing the underlying challenges of Timor-Leste that gave rise to the UNMIT mandate. Achievement of the targets could thus be reasonably expected to provide the foundation for a stable,

democratic and prosperous Timor-Leste. As progress is registered in meeting these benchmarks and associated milestones, I believe that the Council will be in a better position to review the UNMIT mandate and structure, and assess, at an appropriate juncture, the level and form of United Nations support required in the post-UNMIT phase.

VI. Financial aspects

49. The General Assembly, by its resolution 62/258, appropriated the amount of $172.8 million for the maintenance of UNMIT for the period from 1 July 2008 to 30 June 2009. As at 30 September 2008, the total outstanding assessed contributions to the Special Account for UNMIT amounted to $76.7 million. The total outstanding assessed contributions for all peacekeeping operations at that date amounted to $4,014.1 million. In accordance with the quarterly payment schedule, reimbursement of formed police units costs and payments for equipment owned by formed police units have been made for the period up to 30 November 2008.

VII. Observations

50. It is encouraging to see that more than two years after the 2006 crisis, the leaders and people of Timor-Leste have made remarkable progress in overcoming the most visible reminders of that year. The pace of closures of internally displaced persons camps accelerated after the events of 11 February, the petitioners are reintegrating into civilian life, and the issues relating to Alfredo Reinado have been overcome, albeit at the cost of Reinado's life and nearly fatal injury to President Ramos-Horta. The rapid normalization of security arrangements after the disbandment of the Joint Command, coupled with the continuing stable security environment, characterized by low levels of serious crime, is a credit to Timor-Leste's determination to continue striving to create the conditions necessary for long-term peace, stability and development. UNMIT, with the support of the international security forces, has also played a critical role in assisting Timor-Leste to maintain a stable security situation. However, this stability remains fragile.

51. The public has responded to those efforts with growing confidence in State institutions. However, the underlying challenges that contributed to the 2006 crisis remain. These include poverty and unemployment, urban centres struggling with migration and lack of an effective land and property regime; as well as a weak judicial system and still developing security institutions. The Government has made efforts to address these issues, but until these efforts bear fruit there is an ever-present danger that Timor-Leste's progress towards self-sufficiency could be derailed. Fiscal packages specially targeted towards investment in the infrastructure and improvement in the delivery of public services will continue to be needed to enable substantial progress in alleviating poverty.

52. As highlighted during my 2007 visit to Timor-Leste, addressing these issues will require continued dialogue to ensure unity of effort, if not broad consensus, on issues of national concern. President Ramos-Horta's efforts in this regard are to be commended, as is the receptivity, so far, of the major political groupings in Timor-Leste. My Special Representative will continue to provide good offices to facilitate such efforts, with a focus on the importance of constructive political

dialogue; respect for the institutions of State, including the important role of Parliament in a multiparty democracy; and appreciation for the contribution that can be made by an effective opposition channelling its concerns through democratic means. It is important that all political actors participate in ongoing dialogue and contribute to meeting the country's challenges. One of the tests for Timor-Leste in 2009 will be the conduct of local elections.

53. Long-term security and stability will depend on the capacity of Timorese security institutions to function in an accountable, impartial, responsible and effective manner, with due respect for the rule of law and human rights, and broad-based public confidence and support. Following the lifting of the state of exception, the State was able to give renewed attention to the process of security sector reform. There were several initiatives indicative of progress in this area. However, defining a meaningful role for F-FDTL in a peacetime setting, clarifying its relationship with the national police and establishing internal accountability mechanisms and civil oversight by drawing on the findings of the security sector review will be among the primary challenges of the Government. In addition, sustainable logistics and maintenance capacities, necessary policy frameworks and institutional development plans, including training, for both the national police and F-FDTL, will need to be in place to ensure the effective discharge of their respective responsibilities. Further efforts are needed to ensure clear articulation of strategies and plans within and across State institutions. A clear vision of future steps would also facilitate the coordination of support from the international community, including bilateral partners who are essential to the long-term success of security-sector reform. In this regard, it will be important that UNMIT support the Government in identifying mechanisms for ensuring that results from the security sector review are incorporated in security sector development efforts.

54. Ongoing discussions with State actors at all levels reveal a general consensus that the gradual resumption of policing responsibilities should not be bound by an artificial calendar that may not accurately reflect the readiness of the national police in any given district or unit. Instead, emphasis must be placed on the achievement of criteria in order to guarantee the integrity of the resumption process and ensure that any future crisis or pressure does not result in the police service facing further systemic failures. Based on this view, the Government and UNMIT are now discussing the possibility of starting the process of the resumption of policing responsibilities on 27 March 2009. In the meantime, a continuing robust UNMIT police presence across the country, including formed police units, is necessary, both to support the resumption of responsibilities and to continue to help guarantee public security while that process is under way. To that end, I urge the Government to continue working with UNMIT to further develop the framework for resumption of policing responsibility and to ensure that steps are taken to meet sustainable logistical requirements for the national police. The resumption will be only one step in the long-term development process of the national police, and will depend on the continuing commitment of the Government and the international community, including bilateral partners.

55. The judiciary continues to be particularly weak, which has a detrimental effect on the entire rule of law system, including policing. I fully share the desire on the part of the authorities, including the President, to increase opportunities for Timorese to take on judicial line functions. A firm Government commitment to accomplish an independent comprehensive needs assessment of the judicial sector

would allow a coordinated and considered approach to justice sector reform that would more clearly define the support required from the international community and also promote early and effective Timorization of the justice system. I welcome the commitment of the Governments of Indonesia and Timor-Leste to implement the recommendations of the Commission of Truth and Friendship, and encourage the two Governments to take concrete steps to ensure full accountability, to end impunity and to provide reparations to victims, in accordance with international human rights standards and principles.

56. The fundamental tasks ahead are not necessarily about solving particular issues, but about strengthening the institutions of State and improving policy and decision-making processes marked by transparency, accountability and consultation, so that Timor-Leste can continue along the path towards self-sufficiency. Timor-Leste will continue to require substantial support from the international community, in particular the United Nations, and Timorese leaders have emphasized the need for a continued robust Mission presence. In order to ensure the sustainability of the international community's support to Timor-Leste's efforts on its path towards security and prosperity, an extension of the UNMIT mandate for a period of 12 months at the current composition and strength is essential. Given the continued responsibility for law enforcement and the added responsibility of facilitating the resumption of responsibilities by the national police, a continued robust UNMIT police presence will be of the utmost importance. The police strength will be subject to continued review and reductions made as and if appropriate. I also recommend that the Mission provide the logistical, security and human resources (mainly United Nations Volunteers) necessary to respond to the Government's request for assistance for the 2009 local elections.

57. In conclusion, I would like to thank my Special Representative, Atul Khare, for his leadership and congratulate all the men and women of UNMIT and the United Nations country team for their dedication and determined efforts, in close partnership with the Timorese people, to advance the cause of peace and stability in Timor-Leste.

Annex

Medium-term strategy

1. Ensuring security and stability, now and in the future

Objectives

A stable security situation, and security sector institutions that respect and protect human rights and are sufficiently effective and accountable to guarantee security and stability in the short term, while at the same time contributing to the ongoing strengthening of security and stability over the long term.

Benchmarks

- A comprehensive review of the future role and needs of the security sector has been conducted and coordinated reform plans have been developed
- Security sector institutions (including F-FDTL, national police, Segurança Civil, customs, intelligence services and immigration) have adequate capacity (strategic, managerial and technical skills, as well as institutional values) to fulfil their roles and responsibilities, including human rights obligations
- Security sector institutions have adequate systems, processes and resources (financial and material) in place to ensure the efficient management of the institutions and enable them to fulfil their roles
- The respective roles of the various institutions of the security sector are clearly defined
- Clear and transparent mechanisms are established to ensure civil oversight

2. Rule of law, justice and human rights

Objectives

The institutions and capacities of the justice sector are adequately developed and strengthened, resulting in an effective, accessible and credible judicial and penal system. The rule of law and the independence of the judiciary are respected, impunity is not tolerated and is appropriately addressed.

Accountability and justice are achieved for the serious criminal offences of 1999 and April through May 2006, including as recommended by the Independent Special Commission of Inquiry.

Benchmarks

- All outstanding investigations concerning crimes against humanity and other serious crimes committed between 1 January and 25 October 1999 are completed
- A legal framework is in place which takes into account traditional justice mechanisms that adhere to basic principles of administration of justice and human rights standards with particular attention to gender justice and juvenile justice issues
- Core justice personnel are technically enabled to continue process of institution-building and perform line functions

- The Provedoria for Human Rights and Justice is an independent, transparent and effective national human rights institution, playing the lead role in protecting and promoting human rights
- Effective accountability mechanisms are established to enhance integrity of the judiciary, including Superior Councils

3. A culture of democratic governance and dialogue

Objectives

Widespread understanding, adoption of and adherence to the values and principles of sustainable democratic governance, throughout the institutions of State and society, which contribute to further strengthening the institutional culture of democratic governance.

Benchmarks

- The constitutional rights and guarantees are promoted for all citizens; the checks and balances among the four pillars of sovereignty (the executive, the presidency, the parliament and the judiciary) are effective and respected
- A professional and independent media is operating, and dialogue and communication between State institutions, political parties, civil society and the media are enhanced to provide accurate balanced information
- All State institutions adhere to a code of conduct and maintain strict ethical standards
- Effective systems and processes are in place to enable a professional civil service to deliver services
- An anti-corruption regime is established and functioning; and levels of transparency and accountability are increased

4. Socio-economic development

Objectives

A healthy, inclusive and sustainable economy which fosters social solidarity and provides the necessary opportunities for Timorese to support and develop themselves for more productive lives.

Benchmarks

- The quality of life is improved through reduced malnutrition, morbidity, water and sanitation, social welfare and social protection
- Livelihoods are improved and employment opportunities increased, especially focusing on rural areas and vulnerable groups, including youth
- Internally displaced persons have returned, reintegrated and resettled in a sustainable manner; and effective disaster management structures are developed to prepare for mitigation of future crises